Canadian Nuclear Safety Commission

2011–12
Estimates

Part III – Report on Plans and Priorities

The Honourable Joe Oliver, P.C., M.P.
Minister of Natural Resources

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SECTION I – CNSC OVERVIEW

Message from the President

As President of the Canadian Nuclear Safety Commission (CNSC), I am pleased to present this *Report on Plans and Priorities*. As the CNSC celebrates its 65th anniversary as Canada's nuclear regulator, Canadians can be assured that they have benefited from a safe nuclear industry since 1946, and that the CNSC will continue to provide strong regulatory oversight to ensure safety and security of this sector and its activities.

The CNSC is entrusted with an important mission: regulating nuclear activities to protect the health, safety and security of Canadians and the environment; and implementing Canada's international commitments on the peaceful use of nuclear energy. We have set a vision to be the best nuclear regulator in the world. To realize that goal, the CNSC will continue to focus its attention on its "Core + 4 Cs" responsibilities – Core regulatory work of licensing and compliance; Commitment to ongoing improvement; Clarity of our requirements; Capacity for action; and Communications.

In addition to its core regulatory work of licensing and compliance efforts for 3300 licenses, the CNSC will focus in 2011-12 on the regulatory oversight of refurbishment projects at nuclear power plants and the licence renewals for major facilities, such as Point Lepreau, Gentilly-2, the AECL Chalk River Laboratories and Port Hope facilities. The CNSC will also continue its regulatory ongoing oversight of the Port Hope Area Initiative and will continue to strengthen its outreach efforts to inform Canadians on the safety of nuclear activities in Canada.

In addition, the CNSC will be working to complete the Joint Review Panel (JRP) of the Darlington New Build, and the JRP will be conducting an extension hearing in 2011-12. The CNSC will also be starting the JRP for the Deep Geologic Repository (DGR) in Ontario, monitoring the restart of Point Lepreau in 2011-12, and preparing for a follow-up to 2009's Integrated Regulatory Review Service (IRRS) Mission in November 2011.

In Budget 2010, the Government of Canada gave new powers to the CNSC as the single responsible authority for environmental assessments of new nuclear projects. Additionally, as a result of authority provided by Parliament, the CNSC is now implementing a Participant Funding Program to encourage effective public participation, including Aboriginal consultation, and ensuring that public concerns and values are taken into consideration during CNSC hearings. Public participation is an important element of an open and balanced review process as it strengthens the quality and credibility of reviews and decisions made by the Commission.

The global economic recovery has been slow, leading to delays in several major nuclear projects. Nonetheless, the CNSC continues to ensure a state of readiness to be able to respond to new applications when the industry or provinces decide to proceed with new projects. To this end, the CNSC places a premium on ensuring clarity of its requirements and will continue to enhance its regulatory framework to do so.

The CNSC will continue to meet its day-to-day regulatory responsibilities, and the new demands being placed on it, by continuing to engage its government partners, through the Major Projects Management Office, to promote efficiency in the regulatory reviews for major projects.

Furthermore, the CNSC will work with its international partners to ensure Canada's security and international safeguards obligations are met.

In conclusion, over the past 65 years, Canada has had an internationally recognized track record for nuclear safety. The CNSC is proud to have contributed to that safety record by providing strong regulatory oversight. The CNSC will continue to strive towards its vision of being the best nuclear regulator in the world, and Canadians can be assured that the CNSC will remain vigilant in overseeing Canada's nuclear industry so that safety is never compromised.

Original signed by

Michael Binder
President

1.1 Summary Information

Raison d'être and Responsibilities

In 1946, the Canadian Parliament passed the *Atomic Energy Control Act* and established the Atomic Energy Control Board (AECB), providing it with the power to regulate all nuclear activities related to the development and use of atomic energy in Canada.

More than half a century later, in May 2000, the *Nuclear Safety and Control Act* (NSCA) (http://laws.justice.gc.ca/en/N-28.3/index.html) came into effect and established the Canadian Nuclear Safety Commission (CNSC) as the successor to the Atomic Energy Control Board, with responsibilities and authorities to regulate an industry that spans all segments of the nuclear fuel cycle and a wide range of industrial, medical and academic uses of nuclear substances.

The CNSC is an independent regulatory agency and quasi-judicial administrative tribunal, and has jurisdiction over all nuclear-related activities and substances in Canada.

Vision

To be the best nuclear regulator in the world.

Mission

Regulating nuclear activities to protect the health, safety and security of Canadians and the environment, and to implement Canada's international commitments on the peaceful use of nuclear energy.

Mandate

Under the NSCA, the CNSC achieves its mission by:

- regulating the development, production and use of nuclear energy and substances in Canada, as well as the production, possession, use and transportation of nuclear substances;
- implementing measures to meet international and domestic controls on the non-proliferation of nuclear weapons and nuclear explosive devices; and
- providing objective scientific, technical and regulatory information about the activities of the CNSC.

In this context, the CNSC:

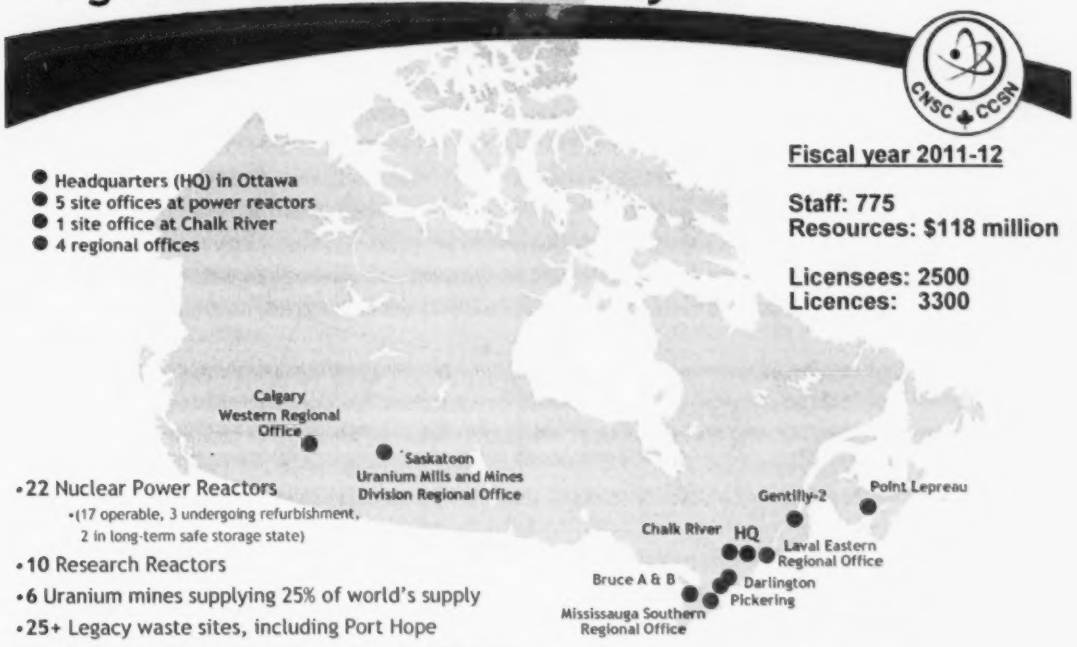
- is also responsible for implementing the Government of Canada's December 2007 *Directive to the Canadian Nuclear Safety Commission Regarding the Health of Canadians*, which requires the CNSC—when regulating the production, possession and use of nuclear substances—to consider the health of those Canadians who, for medical purposes, depend on nuclear substances produced by nuclear reactors;

- as a Responsible Authority under the *Canadian Environmental Assessment Act*, carries out environmental assessments (EAs) for nuclear projects in accordance with this legislation;
- administers the *Nuclear Liability Act;*
- is Canada's authority with respect to the implementation of nuclear safeguards as set out in the *Agreement Between the Government of Canada and the International Atomic Energy Agency for the Application of Safeguards in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons*; and
- administers the nuclear non-proliferation provisions of bilateral Nuclear Cooperation Agreements that the Government of Canada enters into with foreign nuclear trade partners.

The Commission has up to seven permanent members, appointed by the Governor in Council, and is supported by employees across Canada. The CNSC President is a permanent full-time Commission member, while other members may be appointed to serve on a full- or part-time basis. Temporary members can also be appointed by the Governor in Council, as required. Commission members are chosen according to their credentials, and are independent of any political, governmental, special interest group or industry influences.

As a quasi-judicial administrative tribunal and court of record, the Commission makes independent, fair and transparent decisions on the licensing of nuclear-related activities, establishes legally binding regulations, and sets regulatory policy direction on matters relating to health, safety, nuclear security and the environment. For licensing matters related to major nuclear facilities, the Commission considers applicant proposals, recommendations of CNSC staff, and stakeholder views before making decisions. In order to promote openness and transparency, the Commission conducts its business to the greatest extent possible in public hearings and meetings and, where appropriate, in communities affected by the decision at hand. Commission hearings are conducted in a public forum approximately 10 times per year, and decisions are usually released within 30 business days after the closing of the hearings.

The CNSC is Located across Canada to Regulate the Full Nuclear Cycle



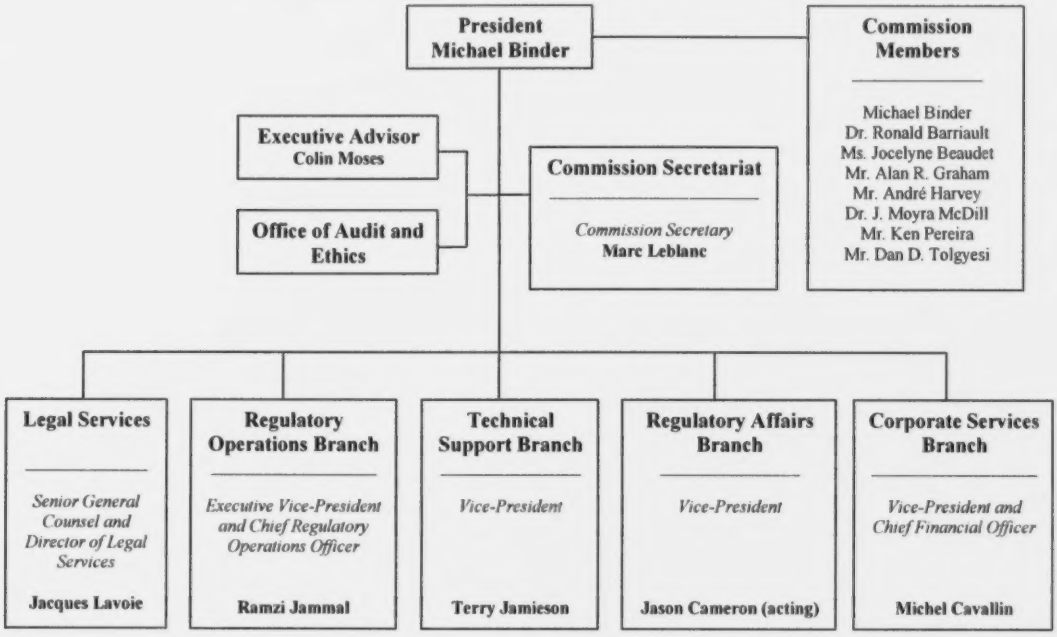
Fiscal year 2011-12

Staff: 775
Resources: $118 million

Licensees: 2500
Licences: 3300

- **22** Nuclear Power Reactors
  - (17 operable, 3 undergoing refurbishment, 2 in long-term safe storage state)
- **10** Research Reactors
- **6** Uranium mines supplying 25% of world's supply
- **25+** Legacy waste sites, including Port Hope
- Export and Import Controls, International Safeguards and Nuclear Non-proliferation

The following organizational chart provides additional details about the CNSC:

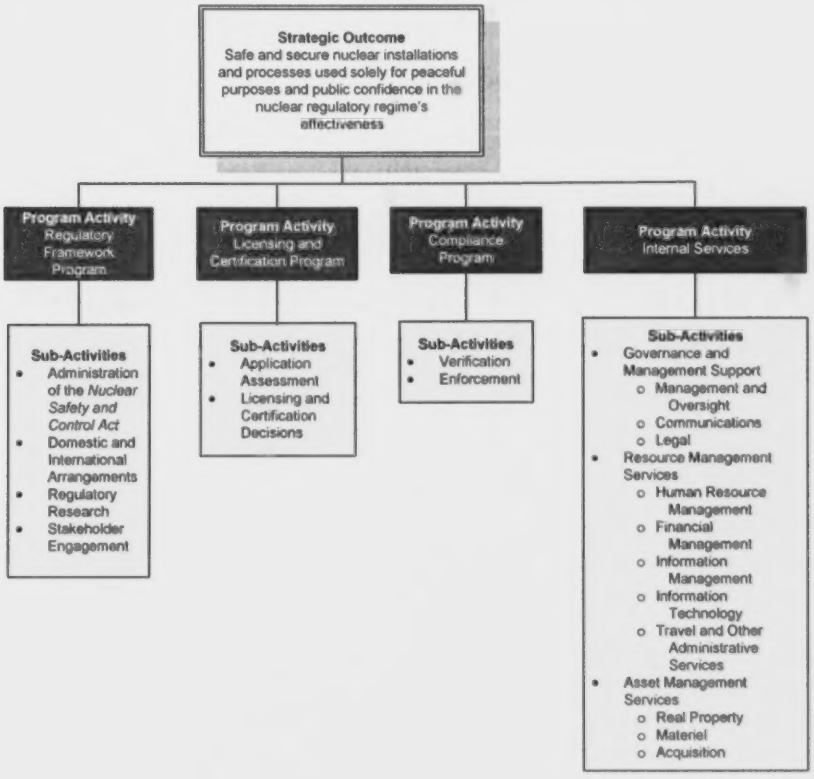


Program Activity Architecture

The CNSC made minor changes to the sub-activities in its Program Activity Architecture (PAA) as part of an annual government-wide amendment and approval process:

- The Regulatory Document Development sub-activity has been combined with the Administration of the *Nuclear Safety and Control Act* (http://laws.justice.gc.ca/eng/N-28.3/index.html) sub-activity within the Regulatory Framework program activity.
- The Reporting sub-activity under the Compliance program activity has been removed. The reporting of actuals was merged with the Verification and Enforcement sub-activities.

The following diagram illustrates the CNSC's revised framework of program activities and program sub-activities, which support its strategic outcome:



1.2 Planning Summary

Financial resources ($ thousands)

2011–12	2012–13	2013–14
118,264	119,712	121,714

The financial resources table above provides a summary of the total planned spending for the Canadian Nuclear Safety Commission for the next three fiscal years.

Human resources (full-time equivalent - FTE)

2011–12	2012–13	2013–14
775	775	775

The human resources table above provides a summary of the total planned human resources for the Canadian Nuclear Safety Commission for the next three fiscal years.

Incremental funds of $13 million, and associated 75 FTEs, allocated for fee-exempt and non-cost recoverable (including nuclear security) activities are set to expire at the end of fiscal year 2010-11. The CNSC is working with the Government to ensure that it is resourced to fulfill its mandate.

Planning Summary Table

The following table summarizes the links between the CNSC's strategic outcome, program activities, expected results and Government of Canada outcomes. It also includes planned spending by program activity:

Strategic Outcome: *Safe and secure nuclear installations and processes used solely for peaceful purposes and public confidence in the nuclear regulatory regime's effectiveness.*	
Performance Indicators	**Targets**
Compliance rating of licensees	Satisfactory or better in all Safety and Control Areas
Number of radiation exposures over the allowable dose limits	Zero reported cases
Positive International Atomic Energy Agency (IAEA) Safeguards Conclusion	Positive Annual Safeguards Broad Conclusion for Canada
Increased stakeholder confidence in the CNSC's ability to regulate.	Increasing trend in survey results over a three-year period, stable thereafter

($ thousands)		Forecast Spending		Estimated Planned Spending[2]						Alignment to Government of Canada Outcome (http://www.tbs-sct.gc.ca/reports-rapports/cp-rc/2009-2010/cp-rctb-eng.asp)
		2010-11		2011-12		2012-13		2013-14		
Program Activity[1] (http://www.tbs-sct.gc.ca/est-pre/index-eng.asp)	Expected Results	$	FTE	$	FTE	$	FTE	$	FTE	
Regulatory Framework	*A clear and pragmatic regulatory framework.*	23,012	127	19,083	103	18,663	103	18,989	103	Social Affairs: A Safe and Secure Canada (http://www.tbs-sct.gc.ca/reports-rapports/cp-rc/2009-2010/cp-rc04-eng.asp#social)
Licensing and Certification	*Individuals, organizations and prescribed equipment that operate safely and comply with all regulatory requirements.*	23,377	196	24,788	191	24,093	191	24,408	191	
Compliance	*High levels of compliance with the regulatory framework; Nuclear substances, equipment and technology exported from Canada remain in peaceful use.*	43,202	264	36,674	245	38,437	245	39,101	245	
Internal Services	*Activities and resources administered to support the needs of programs and other corporate obligations.*	40,985	254	37,719	236	38,519	236	39,216	236	
Total Planned Spending[3]		**130,576**	**841**	**118,264**	**775**	**119,712**	**775**	**121,714**	**775**	

[1] For program activity descriptions, please access the Main Estimates (http://www.tbs-sct.gc.ca/est-pre/index-eng.asp) .

[2] Most costs incurred for the CNSC's regulatory activities are recovered by the federal government from licensees

under the CNSC's *Cost Recovery Fees Regulations (2003)* (http://laws.justice.gc.ca/en/n-28.3/sor-2003-212/153330.html) . In 2011-12, the CNSC projects to recover approximately $111 million in licence fees. Of the forecasted $111 million to be recovered from licensees, CNSC has authority to directly respend $88 million pursuant to Section 29.1(1) of the *Financial Administration Act* (http://lois.justice.gc.ca/en/showtdm/cs/F-11) . The remaining $23 million is held centrally for costs associated with employee benefits, accommodations, health insurance and other expenditures that are directly paid for by central service providers and reimbursed by the CNSC.

[3] Incremental funds of $13 million, and associated 75 FTEs, allocated for fee-exempt and non-cost recoverable (including nuclear security) activities are set to expire at the end of fiscal year 2010-11. The CNSC is working with the Government to ensure that it is resourced to fulfill its mandate.

Context

As a regulatory organization with a well-defined mandate, the CNSC has baseline planning work that is relatively consistent from year-to-year.

Seventy percent of day-to-day work is in the form of core regulatory activities to support the regulatory framework, licensing and compliance programs. Given the clear mandate of the CNSC, the fundamental nature of its work remains constant and its priorities are based on three main considerations:

- completing licensing, certification and compliance work in accordance with regulatory requirements;
- responding to unforeseen demands; and
- undertaking initiatives to improve the effectiveness and efficiency of the organization.

The CNSC must also be ready to respond to challenges presented by external pressures and uncertainties. Indications of global and Canadian economic recovery, as well as the Government of Canada's commitment to reducing Canada's total greenhouse gas emissions, project a scenario where nuclear energy remains a critical part of the energy mix.

In Canada, some applications for new nuclear power plants were recently withdrawn. Nonetheless, licensees are moving forward with the refurbishment or life extension of existing nuclear power plants that the CNSC must license and regulate; the CNSC must also continue to prepare for new nuclear power facility projects. In this context, the Province of Ontario released in November 2010 *Ontario's Long-term Energy Plan* which features $87 billion in total investments, of which $33 billion is earmarked for the future refurbishment of ten nuclear reactors and the construction of two new nuclear power plants at the Darlington site.

The CNSC remains ready to provide the necessary regulatory oversight related to the production of medical isotopes and to assess proposals for non-reactor produced isotopes. The CNSC continues to monitor progress and best practices in the field of nuclear waste management, particularly as they may apply to the proposed Deep Geologic Repository (DGR) and future Nuclear Waste Management Organization projects. Additionally, the CNSC will keep monitoring small reactor developments in anticipation of an emerging industry sector. As well, the CNSC always evaluates new emerging scientific methods in order to regulate industry efforts on waste management and reduce and recycle by-products arising from the fuel cycle or operation of reactors.

Internationally, a large number of new nuclear power plants are in the planning and construction phases. Any growth in the demand for nuclear energy, at home or abroad, also affects the entire domestic nuclear fuel cycle (from uranium mining and milling, uranium refining and fuel production to the management of nuclear waste), thereby driving the demand for more nuclear projects in Canada. The CNSC will maintain a state of readiness for future new projects, and will regulate all of these projects in an open, transparent and timely fashion.

Organizational Priorities

The CNSC undertakes work in support of its single Strategic Outcome. For 2011-12, the CNSC has the following priorities.

Program priorities

- Execute core baseline licensing and compliance for over 2500 licensees across Canada's nuclear sector.
- Continue positioning a state of readiness for new nuclear facilities, particularly, new uranium mines and new nuclear power plants.
- Continue regulatory oversight of nuclear power plant refurbishment projects (Gentilly-2, Darlington, Point Lepreau, Bruce A 1&2).
- Undertake regulatory reviews of applications for licence renewals (Hydro-Quebec's Gentilly-2, AECL's Chalk River Laboratories/NRU, Cameco's Port Hope Conversion Facility).
- Provide regulatory oversight of refurbishment and restart of New Brunswick Power's Point Lepreau Generating Station.
- Continue regulatory oversight of the Port Hope Area Initiative (PHAI).
- Ensure all licensees have an appropriate financial guarantee in place.
- Develop a policy on fitness for duty requirements across the nuclear sector.
- Implement new responsibilities as the single authority for environmental assessments of new nuclear projects.

Management priorities

- Develop and implement a strategy for addressing funding requirements, including reviewing and amending the CNSC's *Cost Recovery Fees Regulations* (2003) (http://laws.justice.gc.ca/en/n-28.3/sor-2003-212/153330.html/ohttp:/laws.justice.gc.ca/en/n-28.3/sor-2003-212/153330.html) .
- Focus on becoming an Employer of Choice.
- Implement Participant Funding Program.
- Strengthen the CNSC's Research and Evaluation functions.
- Strengthening the CNSC's regulatory program by completing CNSC Harmonized Plan of Improvement Initiatives for licensing and compliance:
    - Conduct of Technical Assessment; and
    - Conduct of Inspection.

- As part of outreach efforts, emphasize the CNSC's 65-year track record of overseeing a safe nuclear industry, and enhance the CNSC's web presence.
- Undertake review of performance indicators.

By continuing to design, document and implement foundation-level improvements, the initiatives will provide clarity in roles, responsibilities and regulatory requirements while assuring the CNSC's regulatory capacity. Through the harmonization of all improvement initiatives under the Harmonized Plan, the CNSC aims to strengthen its regulatory effectiveness and improve overall efficiency to the mutual benefit of the CNSC, licensees and the Canadian public.

In completing these priorities, the CNSC will maintain its focus on its key ways of doing business: the Core + 4 Cs. In particular, the CNSC will focus on its **Core** work of Licensing and Compliance, and undertake specific initiatives presented in Section II - Analysis of Program Activities.

A brief summary of the "4 Cs" follows:

- **Commitment to ongoing improvements** – "Always room for improvements."

  This priority area includes completing initiatives under the Harmonized Plan, a set of internal improvements that respond to recommendations from past audits, lessons learned and peer reviews such as the Integrated Regulatory Review Service (IRRS), and preparing for an IRRS follow-up mission. It also includes ensuring that the health of Canadians and the safety of facilities are central considerations in all licensing and compliance activities through initiatives such as isotope contingency planning and assessing environmental concerns. This priority also encompasses improvements in corporate services and policies, including those identified through various audits.

- **Clarity of our requirements** – "So everyone understands the rules."

  This priority area centers on creating broad awareness among licensees, vendors of nuclear technology and proponents of the CNSC's requirements stemming from the *Nuclear Safety and Control Act* (http://laws.justice.gc.ca/eng/N-28.3/index.html), whether for refurbishments and life extensions or new projects (such as design reviews, joint review panels, etc.). Its other goals are revitalizing the CNSC's regulatory framework; developing and updating regulatory documents and guidance, with particular attention to guidance for licence applications and environmental assessments; engaging government partners through the Major Projects Management Office (http://www.mpmo-bggp.gc.ca/index-eng.php); and continuing the implementation of the protocol for NRU licence renewal.

- **Capacity for action** – "Ready to respond no matter what the situation."

  This priority area focuses on ensuring the CNSC's internal capacity (the right people, at the right time, doing the right things) to respond to changing events, all while fulfilling our mandate. The CNSC will continue its efforts to establish itself as a recognized Employer of Choice, and will underscore knowledge management in its retention and training initiatives.

The CNSC will also maintain a sustainable financial management and internal control framework to respond to its regulatory activities. The organization is strengthening planning and operational processes, and is focusing on information management progress in key areas such as compliance reporting, inspection tracking/resolution and financial management.

- **Communications** – "Accurate, clear, concise and timely."

  This priority area aims to strengthen communications with the CNSC's licensees, stakeholders, Aboriginal peoples, international counterparts, other government departments and central agencies, in accordance with the CNSC's goal of being the best nuclear regulator in the world and its mandate to disseminate objective scientific, technical and regulatory information to the public about regulatory activities.

Risk Analysis

The CNSC has identified three key risks that may continue to affect its objectives:

Major Project Delays

Over the past few years, the CNSC developed and implemented an aggressive recruitment strategy, in anticipation of new major nuclear projects advancing in Canada. The CNSC adjusted its plans to respond to industry projections, including delays in the announcements of new nuclear power plants in Canada, as a result of the economic downturn. If such projects are further delayed or cancelled outright, cost recovery revenues could be significantly affected. The CNSC has initiated contingency plans to adapt to changes without compromising its capacity to meet its regulatory responsibilities.

Sunset Funding

At the end of 2010–11, 29% of the CNSC's annual appropriation is scheduled to sunset. $13 million in incremental funding allocated to fee-exempt and non-cost recoverable (including nuclear security) activities are set to expire. The CNSC is working with the Government to ensure that it is resourced to fulfill its mandate.

Unforeseen Demands

An additional challenge that the CNSC faces is that of unforeseen demands (for example, public concerns over the transport of the steam generators through the Great Lakes that was the subject of public hearings in the fall of 2010), which can draw significantly on the CNSC's financial and human resources that are otherwise allocated to planned regulatory activities. While the CNSC responds by revising plans and reallocating resources, moving forward, the CNSC will work to maximize efficiency in these instances.

Expenditure Profile

Funding of CNSC Operations

The CNSC's operations are funded primarily from fees cost-recovered from licensees, pursuant to the CNSC's *Cost Recovery Fees Regulations* (2003) (http://laws.justice.gc.ca/en/n-28.3/sor-2003-212/153330.html). The CNSC's remaining resources are funded through an annual appropriation from Parliament.

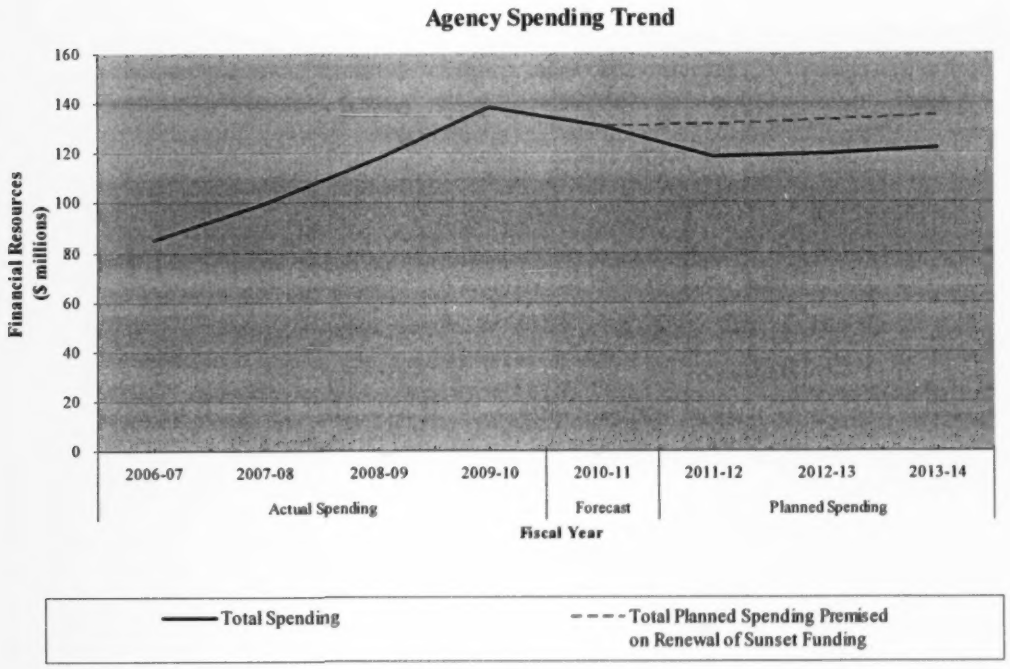
For the 2011–12 fiscal year, the CNSC plans to spend $118 million to achieve the expected results of its program activities. Of this planned spending, the CNSC is requesting $30 million in total appropriation funding (annual and statutory Employee Benefit Plans) for CNSC activities related to:

- fee-exempt applicants and licensees (such as hospitals and universities, and government funded remediation projects such as the Port hope Area Initiative);
- fee-exempt applicants and licensees for activities such as:
    - production of non-reactor produced medical radio-isotopes;
- activities in support of international obligations (including safeguards implementation and export control activities arising from Canada's commitments pursuant to the non-proliferation of nuclear weapons);
- outreach and stakeholder relations activities;
- public responsibilities, such as emergency preparedness; and
- ongoing oversight of the *Nuclear Safety and Control Act* (http://laws.justice.gc.ca/eng/N-28.3/index.html) and the associated regulations.

In 2006–07 and 2007–08, the Government approved additional resources for CNSC workload pressures associated with fee-exempt licensees and non-cost recoverable (including nuclear security) activities. This incremental funding will expire at the end of fiscal year 2010-11 and the CNSC is working with the Government to ensure that it is resourced to fulfill its mandate.

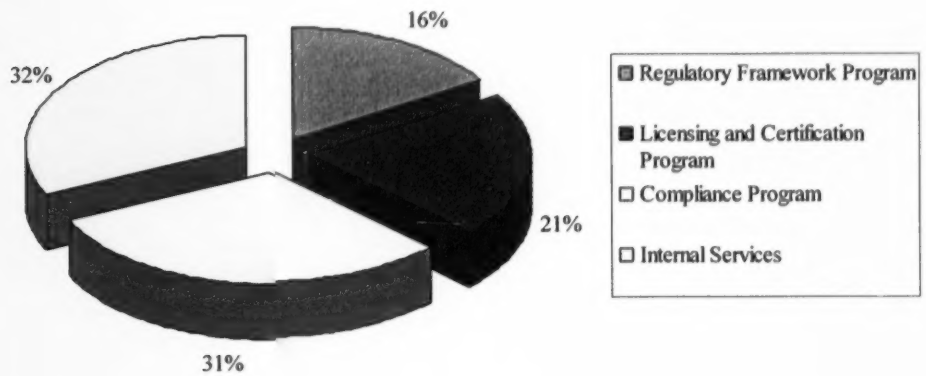
In 2009, the CNSC conducted a Strategic Review, as requested by central agencies, of the funding, relevance and performance of its entire program spending to ensure results and value for money. The CNSC identified program budget reductions for: the Canadian Safeguards Support Program; international travel and specific outreach activities. The Strategic Review is leading to a decrease of $1.5M in funding for fiscal year 2011-12.

In addition, the CNSC plans to collect an amount of $111 million from fee–paying licensees in accordance with the CNSC's *Cost Recovery Fees Regulations* (2003) (http://laws.justice.gc.ca/en/n-28.3/sor-2003-212/153330.html) for regulatory activities including licensing, compliance and enforcement. Of this $111 million, $88 million is respendable by the CNSC. The balance is used to offset the costs of services provided by other government departments on behalf of the CNSC.



The figure above illustrates the CNSC's spending trend from 2006–07 to 2013–14.

2011-12 CNSC Funding Allocation by Program Activity



Details on the expected results associated with these expenditures are provided in Section II – Analysis of Program Activities by Strategic Outcome.

Estimates by Vote

For information on the CNSC's vote and statutory expenditures, please see the 2011–12 Main Estimates publication. An electronic version of the Main Estimates is available at http://www.tbs-sct.gc.ca/est-pre/index-eng.asp

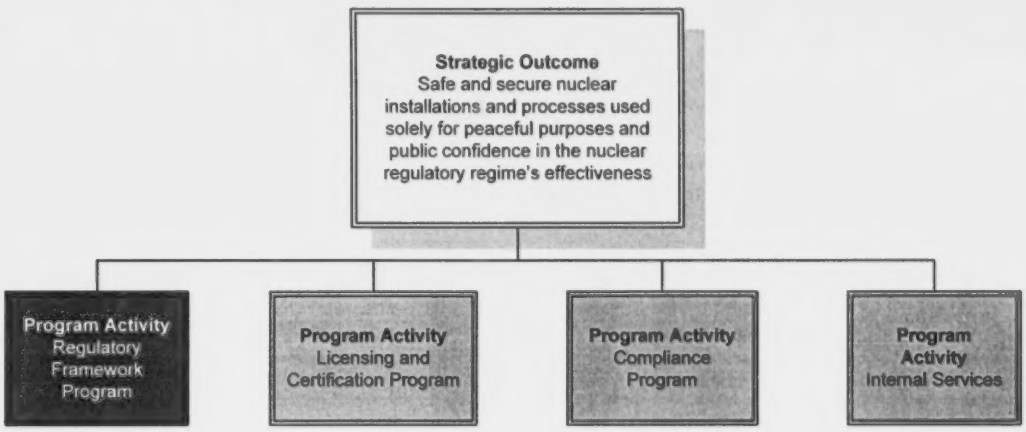
SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

2.1 Strategic Outcome

The Canadian Nuclear Safety Commission has a single strategic outcome: safe and secure nuclear installations and processes used solely for peaceful purposes and public confidence in the nuclear regulatory regime's effectiveness. To support this outcome, the CNSC has four program activities: regulatory framework; licensing and certification; compliance; and internal services.

The following section describes the CNSC's program activities and identifies the expected results, performance indicators and targets for each of them. This section also explains planning highlights and benefits for Canadians, and presents the financial and non-financial resources that will be dedicated to each activity.

2.1.1 Program Activity: Regulatory Framework


Strategic Outcome
Safe and secure nuclear installations and processes used solely for peaceful purposes and public confidence in the nuclear regulatory regime's effectiveness
Program Activity
Regulatory Framework Program
Program Activity
Licensing and Certification Program
Program Activity
Compliance Program
Program Activity
Internal Services

Program Activity: REGULATORY FRAMEWORK					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
103	19,083	103	18,663	103	18,989
Expected Result:	A clear and pragmatic regulatory framework.				
Performance Indicators and Targets:	• Satisfaction levels of stakeholders across key performance areas. o Target: Increasing trend in survey results over a three-year period, stable thereafter • Number of legal challenges to the regulatory framework. o Target: Minimal/declining number of challenges and/or high success rate of defending challenges				

Program Activity Description

The Regulatory Framework program is in place to ensure that Canadians—and licensees, in particular—have a clear and pragmatic regulatory framework for the nuclear industry in Canada.

Funds are used to develop and make amendments to elements of the regulatory framework (such as the *Nuclear Safety Control Act* (http://laws.justice.gc.ca/en/N-28.3) and regulations under the Act; regulatory documents, such as policies, standards and guides; the Safeguards Agreement and Additional Protocol between Canada and the International Atomic Energy Agency, and Canada's bilateral Nuclear Cooperation Agreements) that protect the health, safety, security, and environment for Canadians, while implementing Canada's international commitments on the non-proliferation of nuclear weapons and the peaceful use of nuclear energy.

The CNSC also administers the *Nuclear Liability Act* (http://laws.justice.gc.ca/en/N-28) and, as a Responsible Authority under the *Canadian Environmental Assessment Act* (http://laws.justice.gc.ca/en/C-15.2/), carries out environmental assessments for nuclear projects in accordance with this legislation.

The following table aligns the Regulatory Framework Planning Highlights with their corresponding organizational priorities, and presents the planned timeline for completion.

Planning Highlights	Timeline for Completion
Core regulatory operations	
➢ Continue modernization of the Regulatory Framework with respect to new major projects such as nuclear power plants and uranium mines: • Licence Application Guide for Uranium Mines and Mills.	June 2012
➢ Establish and implement Administrative Arrangements (AAs), pursuant to Canada's bilateral Nuclear Cooperation Agreements (NCAs) to respond to changes in international nuclear trade and to enhance effectiveness in implementation of export and import licensing controls: • Negotiate and implement amendments to existing bilateral NCAs and AAs (Euratom, China); and • Negotiate and implement new bilateral AAs (India, Kazakhstan, others pending).	Expected completion by March 31, 2012.
➢ Negotiate and implement bilateral harmonization AAs with countries that import Canadian-origin category 1 and 2 radioactive sources (India, Russia, Latin America).	Make substantive progress in 2012.
Organizational Priority: Commitment to ongoing improvements **"Always room for improvements"**	
➢ Continue to work with Major Projects Management Office (MPMO) partners to coordinate regulatory review processes related to major nuclear projects.	Ongoing
➢ Implement the strategy for a renewed CNSC Research Program.	December 31, 2011
➢ Continue to work with the International Atomic Energy Agency (IAEA) to streamline the amount of verification effort in Canada.	Ongoing

➢ Undertake preparations for the Integrated Regulatory Review Service (IRRS) follow-up mission in November 2011.	March 31, 2012
Organizational Priority: Clarity of requirements **"So everyone understands the rules"**	
➢ Complete the Regulatory Framework Plan initiatives scheduled for 2011–12, including: • *Packaging and Transport of Nuclear Substances Regulations* o Amend regulations to exempt certain substances and devices from the packaging and transport provisions of the regulations; o Target: Publication in the *Canada Gazette*, Part II, Q1 FY 2011–12. • *Packaging and Transport of Nuclear Substances Regulations* o Amend regulations to align requirements with current IAEA recommendations; o Target: Publication in the *Canada Gazette*, Part II, Q2 FY 2011–12. • Initiate review of and amendments to *CNSC Cost Recovery Fees Regulations* (2003).	June 30, 2011 September 30, 2012 March 31, 2013
➢ Implement strategy for waste management regulation, including tailings management.	March 31, 2012
Organizational Priority: Communications **"Accurate, clear, concise and timely"**	
➢ Strengthen stakeholder engagement and outreach strategy: • Conduct public opinion research to establish a baseline of current public and stakeholder perceptions about the CNSC against which to evaluate the effectiveness of information dissemination; and • Present CNSC 101 to communities hosting nuclear facilities and to communities where nuclear facilities are being proposed.	December 31, 2011
➢ Continue improving accessibility of information about the CNSC and its work: • Strengthen audio and video components of the CNSC's Web pages; and • CLF – Visually impaired enhanced access.	Ongoing

Benefits for Canadians

The CNSC maintains an evergreen assessment of the *Nuclear Safety and Control Act* (NSCA) (http://laws.justice.gc.ca/eng/N-28.3/index.html), and continuously works with other national and international organizations to ensure that nuclear energy and materials are regulated effectively. Through its work with these partners, the CNSC is able to share best practices and lessons learned, and maximize its efficiencies.

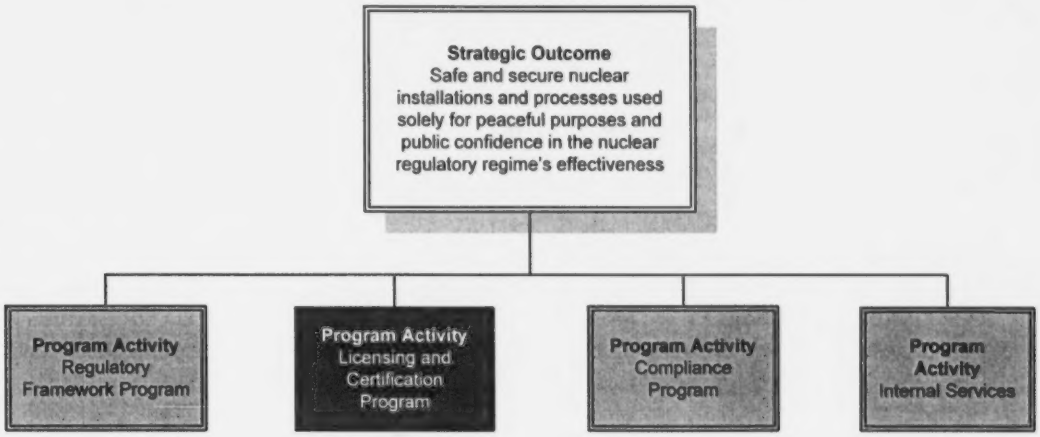
This program activity also aims to ensure that the CNSC's non-licensee and non-governmental related stakeholders are informed on the activities, policies, programs and the role of the CNSC, and that they have an opportunity to ask questions and express their views. It provides objective scientific and technical information on the areas regulated by the CNSC, and engages stakeholders, by soliciting their input on regulatory issues to enhance the quality of the organization's work and decisions. Licensees and government stakeholders (both domestic and international) are also appropriately informed about, and/or consulted on the role, activities,

policies, and programs of the CNSC. An informed and engaged public is an important element of an open and balanced review process, and strengthens the quality and credibility of regulatory reviews and subsequent decisions.

Regulatory Framework – The Bottom Line

The Regulatory Framework Program Activity results in a continuously reviewed, modern, transparent regulatory framework that is open and accessible to licensees and stakeholders, and that is focussed on nuclear safety and security, and on effectively implementing relevant international obligations.
No compromise.

2.1.2 Program Activity: Licensing and Certification


Strategic Outcome
Safe and secure nuclear installations and processes used solely for peaceful purposes and public confidence in the nuclear regulatory regime's effectiveness
Program Activity Regulatory Framework Program
Program Activity Licensing and Certification Program
Program Activity Compliance Program
Program Activity Internal Services

Program Activity: LICENSING AND CERTIFICATION					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
191	24,788	191	24,093	191	24,408
Expected Result:	Individuals, organizations, and prescribed equipment that operate safely and comply with all regulatory requirements.				
Performance Indicators and Targets:	• Number of licences and certificates issued as per service standards. o Target: Meet external performance standards. The CNSC publishes the annual results for a full suite of External Performance Standards related to Licensing, Certification, and Compliance. This additional performance information can be found online in the following CNSC reports: • Annual Reports (http://www.nuclearsafety.gc.ca/eng/readingroom/reports/annual/) • Departmental Performance Reports (http://www.nuclearsafety.gc.ca/eng/readingroom/reports/departmental/)				

Program Activity Description

The Licensing and Certification program is in place to issue licences or certify persons, organizations, and prescribed equipment for conducting nuclear-related activities in Canada.

With this program activity's funding, the CNSC obtains evidence of the applicant licensees' ability to operate safely and comply with all regulatory requirements.

The CNSC undertakes this work to obtain assurance that nuclear activities and facilities in Canada are managed with adequate provision for protection of health, safety, security and the environment and the fulfillment of international commitments to the peaceful use of nuclear energy.

The following table aligns the Licensing and Certification Planning Highlights with their corresponding organizational priorities, and presents the planned timeline for completion.

Planning Highlights	Timeline for Completion
Core regulatory operations	
➢ Conduct licensing and certification activities according to plans.	March 31, 2012
➢ Conduct regulatory oversight of new major projects: • Conduct licence application assessment (including EAs) for new power reactor construction, new mines, and waste facilities; • Work to complete the Joint Review Panel (JRP) of the Darlington New Build; • Begin the JRP of the Deep Geologic Repository (DGR); • Support the regulatory regime in Nunavut and in Labrador; and • In collaboration with the MPMO, the CNSC will be conducting comprehensive studies on the Millennium and Midwest mines as part of the initial licensing stages.	March 31, 2012 Fall 2011 March 31, 2012 March 31, 2012 March 31, 2012
➢ Undertake regulatory reviews of applications for licence renewals including: • Gentilly-2 (Commission Hearing); • Chalk River Laboratories/National Research Universal (NRU), (Commission Hearing); and • Cameco's Port Hope Conversion Facility (Commission Hearing).	April 2011 September 2011 December 2011
➢ Continue regulatory oversight of the Port Hope Area Initiative: • Hold hearings on release of hold points for Port Hope Area Initiative.	June 2011
➢ Undertake regulatory reviews of applications for non-reactor production of medical isotopes: • Canadian Light Source Project; and • TRIUMF.	December 31, 2011
Organizational Priority: Commitment to ongoing improvements **"Always room for improvements"**	
➢ Strengthen the manner in which technical assessments are performed to ensure a consistent approach across all areas of the CNSC.	Ongoing
Organizational Priority: Clarity of requirements **"So everyone understands the rules"**	
➢ Continue pre-project vendor design reviews of: • Enhanced Candu-6 (AECL – new nuclear power plant design).	March 2012

➢ Develop Licence Condition Handbook for nuclear facilities (at each licence renewal): • Point Lepreau.	March 2012
Organizational Priority: Capacity for action **"Ready to respond no matter what the situation"**	
➢ Provide regulatory oversight to life-extension projects: • Continue the analysis of the research on aging of materials, new advanced methods of assessing nuclear power plant performance during postulated events, and requirements for modern Aging Management Programs.	Ongoing

Benefits for Canadians

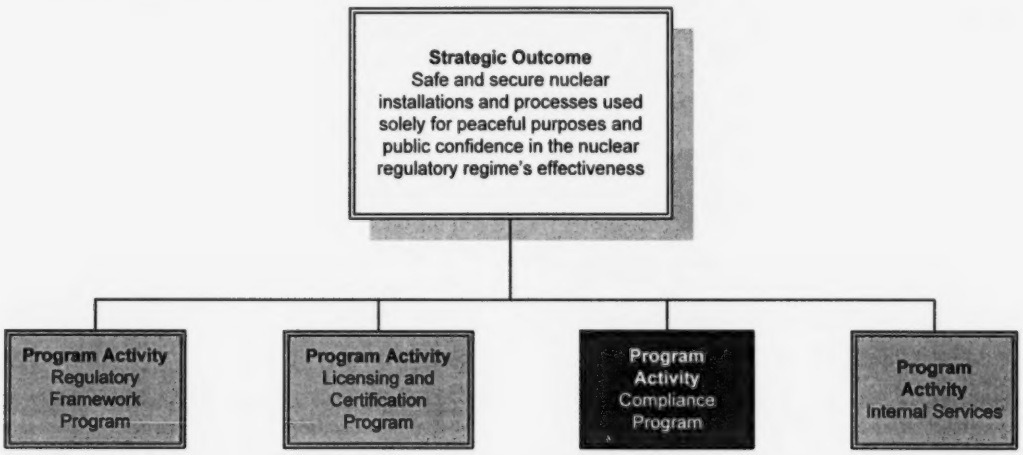
This program activity is central to meeting the CNSC's mandate by ensuring that applicants for licences and certificates fully meet the requirements of the NSCA and associated regulations before they are permitted to engage in any nuclear-related activity.

Applications for licences and certificates are scrutinized by CNSC staff who make sure that the proposed activities in question meet the regulatory requirements of the *Nuclear Safety and Control Act* (http://laws.justice.gc.ca/eng/N-28.3/index.html), its associated regulations and licences. A licence or certificate will only be issued once the CNSC is certain that licensees are prepared to meet all regulatory requirements.

Licensing and Certification – The Bottom Line

Licences and certificates will only be issued once the CNSC has determined that licensees are positioned to conduct their activities with the utmost attention to health, safety, security, protection of the environment and the requirements of relevant international obligations. No compromise.

2.1.3 Program Activity: Compliance


Strategic Outcome
Safe and secure nuclear installations and processes used solely for peaceful purposes and public confidence in the nuclear regulatory regime's effectiveness
Program Activity Regulatory Framework Program
Program Activity Licensing and Certification Program
Program Activity Compliance Program
Program Activity Internal Services

Program Activity: COMPLIANCE					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
245	36,674	245	38,437	245	39,101
Expected Result:	A high level of compliance by licensees with the regulatory framework. Nuclear substances, equipment and technology exported from Canada remain in peaceful use.				
Performance Indicators and Targets:	• Degree/level of reconciliation between Canada and other countries to nuclear inventories subject to bilateral Nuclear Cooperation Agreements (NCAs). o Target: 100% of Annual Inventory Reports received from foreign bilateral counterparts are reviewed annually and inventory reconciliation issues identified and addressed. • Effective enforcement actions taken on unauthorized exports/imports detained or seized at border points. o Target: 100% of detentions and seizures at border addressed through corrective actions. • Adherence with Sealed Source Tracking requirements. o Target: 100% on time; 100% match with registry. • Nuclear material "ledger" reconciliations between the CNSC and licensees. o Target: Identical inventory records on reconciliation of nuclear material. • Frequency and severity rate of accidents. o Target: Zero. In addition to the above indicators, the CNSC publishes the annual results for a full suite of External Performance Standards related to Licensing, Certification, and Compliance. This additional performance information can be found online in the following CNSC reports:				

	• Annual Reports (http://www.nuclearsafety.gc.ca/eng/readingroom/reports/annual/) • Departmental Performance Reports (http://www.nuclearsafety.gc.ca/eng/readingroom/reports/departmental/index.cfm)

Program Activity Description

The Compliance program is in place to ensure that CNSC licensees exhibit a high level of compliance with the CNSC's regulatory framework. This program enables the CNSC to provide regulatory assurance to Canadians of the continuing compliance and safety performance of licensees.

This program activity's funding is used for the promotion of compliance, safety culture and common safety values, compliance inspections, and enforcement actions.

The following table aligns the Compliance Planning Highlights with their corresponding organizational priorities, and presents the planned timeline for completion.

Planning Highlights	Timeline for Completion
Core regulatory operations	
➢ Conduct inspections according to plans.	Ongoing
➢ Undertake regulatory oversight of refurbishment projects: • Gentilly-2 (work focussing on pre-refurbishment phases); • Darlington (work focussing on pre-refurbishment phases); • Point Lepreau (refurbishment underway); and • Bruce A 1&2 (refurbishments underway).	Ongoing
➢ Undertake regulatory oversight to support Canada's obligations on the peaceful use of nuclear material, equipment and technology.	Ongoing
➢ Implement the requirements of the Canada-IAEA Safeguards agreement and Additional Protocol.	Ongoing
Organizational Priority: Commitment to ongoing improvements **"Always room for improvements"**	
➢ Strengthen inspection procedures to ensure there is a consistent approach to inspection of all nuclear facilities and activities.	Ongoing
➢ Continue to work with the IAEA to identify and implement more efficient approaches and procedures to improve safeguards efficiencies and maintain required levels of effectiveness, while reducing on-site effort by the IAEA, licensees and the CNSC.	Ongoing
➢ Work with national and international partners to strengthen Canada's counter-proliferation framework.	Ongoing
Organizational Priority: Clarity of our requirements **"So everyone understands the rules"**	
➢ Strengthen the CNSC's intelligence network with all licensees.	Ongoing

Organizational Priority: Capacity for action **"Ready to respond no matter what the situation"**	
➢ Obtain industry standard certification for the CNSC Laboratory: • Phase 1: Lab calibration; and • Phase 2: extension to the analytical lab.	2011-12 2012-13
Organizational Priority: Communications **"Accurate, clear, concise, and timely"**	
➢ Continue promotion of the CNSC's nuclear safety brand.	Ongoing

Benefits for Canadians

Through numerous inspections of nuclear facilities, activities and processes, as well as through the review of licensee reports, the CNSC continuously monitors the Canadian nuclear industry to make sure that licensees are operating safely, securely, and in compliance with the requirements set out in the *Nuclear Safety and Control Act* (http://laws.justice.gc.ca/eng/N-28.3/index.html), its associated regulations, licences and certificates.

In cases of non-compliance, the CNSC will use various enforcement actions, in a graded approach, to ensure that licensees take corrective action and may, in certain situations, call licensees before the Commission. Enforcement actions taken by the CNSC can range from issuing a written notice for corrective actions for minor infractions to issuing orders, recommending licensing actions (including suspension and revocation) or withdrawal of certification or prosecution for more serious violations.

The CNSC regularly communicates the status of nuclear industry compliance to Canadians through reports published on its Web site (http://www.nuclearsafety.gc.ca/eng/readingroom/reports/index.cfm). These reports cover a variety of topics related to the Canadian nuclear industry, including: uranium mining, radioactive releases, the safety performance of nuclear power facilities, and the tracking and reporting of lost or stolen sealed sources and radiation devices.

Compliance – The Bottom Line

The CNSC can assure Canadians that its licensees are operating safely and securely in compliance with their licences, certificates, regulations, and underlying legislation, as well as with international obligations and bilateral agreements, and that exports of nuclear substances, equipment and technology are used for peaceful purposes only.
No compromise.

A brief description of the main types of compliance activities conducted by the CNSC follows in the information box below.

Our Daily Activities

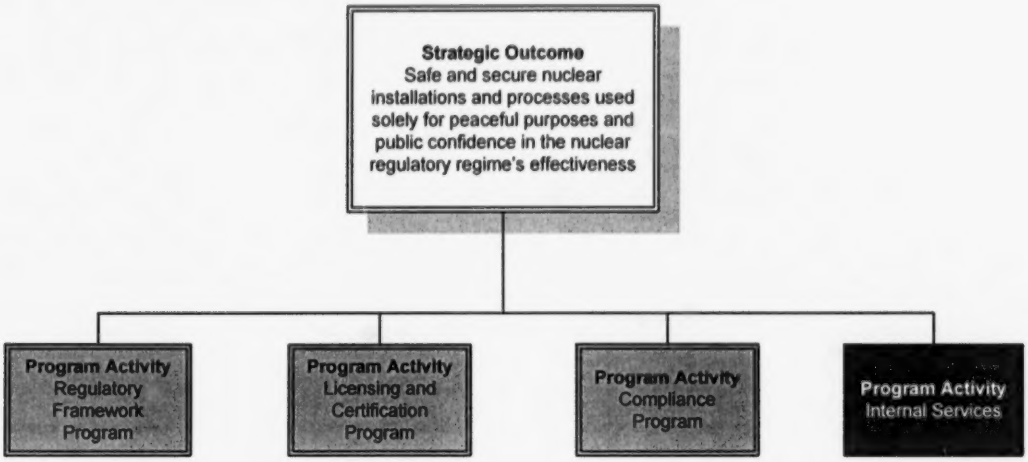
The majority of the CNSC's work involves undertaking licensing and compliance activities in a risk-informed fashion, to ensure that licensees meet regulatory requirements set out in regulations and in their licences. This requires maintaining an adequate level of regulatory vigilance, and being prepared to react according to credible information received.

Much of the compliance work is in the form of various types of inspections.

- *Type I* inspections are systematic and documented processes — similar to audits or program evaluations — to determine, through objective evidence, if licensee programs, processes or practices comply with regulatory requirements.
- *Type II* inspections are planned and documented activities to verify the results of licensee processes, not the processes themselves. They are typically routine (item-by-item) inspections and rounds, usually of specified equipment, facility material systems, or of discrete records, products or outputs from licensee processes.
- *Desktop reviews* are the CNSC staff analyses of compliance reports submitted by licensees, in order to evaluate if licensees are complying with the regulatory requirements.

Typically, in a fiscal year, the CNSC will undertake approximately 50 *Type I* inspections, 1,800 *Type II* inspections and numerous *desktop reviews*.

2.1.4 Program Activity: Internal Services


Strategic Outcome
Safe and secure nuclear installations and processes used solely for peaceful purposes and public confidence in the nuclear regulatory regime's effectiveness
Program Activity
Regulatory Framework Program
Program Activity
Licensing and Certification Program
Program Activity
Compliance Program
Program Activity
Internal Services

Program Activity: INTERNAL SERVICES					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
236	37,719	236	38,519	236	39,216
Expected Result:	Activities and resources administered to support the needs of programs and other corporate obligations.				

Program Activity Description

Internal services are activities and resources that apply across the organization to support directly and indirectly program delivery and meet other corporate obligations of the Commission, as an agency of government.

These activities are: Management and Oversight (including Audits and Evaluations); Communications; Legal Services; Human Resources Management; Financial Management; Information Management; Information Technology; Real Property and Materiel Acquisition; Travel and Other Administrative Services.

The following table aligns the Internal Services Planning Highlights with their corresponding organizational priorities, and presents the planned timeline for completion.

Planning Highlights	Timeline for Completion
Organizational Priority: Commitment to ongoing improvements **"Always room for improvements"**	
➢ Continue Service Level and Policy Improvements in support of Harmonized Plan: • Streamline business processes (e.g., service level efficiency, CNSC coding structure, online travel); • Implement the Internal Control Framework: o Maximize Freebalance Functionality (Procurement/Contracting/Asset Management); and o Develop an Investment Capital Plan.	March 31, 2012
➢ Implement the Management Accountability Framework (MAF) Action Plan in response to Round VII Assessment.	March 31, 2013
➢ Develop a Performance Management Framework for Internal Services.	March 31, 2012
Organizational Priority: Capacity for action **"So everyone understands the rules"**	
➢ Implement the Financial Guarantees strategy.	September 2011 and ongoing.
➢ Continue improvements to the Revenue Spending Authority Regime through legislative changes, further reporting integration, more critical analyses and simplified costing methods.	Ongoing
Organizational Priority: Capacity for action **"Ready to respond no matter what the situation"**	
➢ Focus Human Resource activities on retention and training in line with Employer of Choice efforts, specifically: • Support talent management through succession planning, performance management, and knowledge transfer activities; • Provide learning activities to support technical, non-technical training and leadership development; • Support a productive labour-management environnent; • Implement a revised Job Evaluation Plan for CNSC staff; and • Measure employee engagement through periodic polling and surveys.	March 31, 2012
➢ Focus information management and technology efforts on the delivery of new solutions to support the regulatory activities of staff, licensees and stakeholders: • Establish an integrated phased approach to ongoing technology investments through an updated three year IM/IT strategic plan.	March 31, 2012
➢ Continue development of, and implement the evaluation function.	September 31, 2011

Benefits for Canadians

The above profile of Internal Services reflects a structure applied across government to support a common government-wide approach to planning, design, budgeting, reporting and communications of government internal services.

The Internal Services enable public programs, as well as other internal services, to operate more efficiently and effectively.

At the CNSC, Internal Services is a key mechanism by which the organization becomes better at carrying out its mandate of ensuring the safety and security of the Canadian nuclear industry. This work includes, but is not limited to: making sure the CNSC attracts the right skill sets and provides the right training to its staff; keeping the finances in order; and maintaining up-to-date technology services, and the accessibility of sound legal counsel.

Internal Services – The Bottom Line

The Internal Services program activity results in an effective and responsibly managed organization well positioned to support the achievement of the CNSC's strategic outcome.

SECTION III – SUPPLEMENTARY INFORMATION

3.1 Financial Highlights

The future-oriented financial highlights within this Report on Plans and Priorities are intended to serve as a general overview of the CNSC's financial operations. These future-oriented financial highlights are prepared on an accrual basis to strengthen accountability and improve transparency and financial management.

The CNSC's Future-oriented Statement of Operations can be accessed on its Web site at http://www.nuclearsafety.gc.ca/eng/readingroom/reports/index.cfm.

Future-oriented Condensed Statement of Operations (unaudited)

For the Year (Ended March 31)

($ thousands)	**% Change**	**Estimated 2011**	**Forecast 2012**
Expense			
Total Expense	-5%	151,735	143,482
Revenues			
Total Revenues	6%	104,286	111,055
Net Cost of Operations	**-32%**	**47,449**	**32,427**

Incremental funds of $13 million, and associated 75 FTEs, allocated for fee-exempt and non-cost recoverable (including nuclear security) activities are set to expire at the end of fiscal year 2010-11. The CNSC is working with the Government to ensure that it is resourced to fulfill its mandate.

3.2 Supplementary Information Tables

All electronic supplementary information tables found in the 2011–12 RPP can be found on the Treasury Board of Canada Secretariat's Web site (http://www.tbs-sct.gc.ca/rpp/2011-2012/info/info-eng.asp).

- Internal Audits
- Evaluations
- Sources of Respendable and Non-Respendable Revenue
- Greening Government Operations

SECTION IV – OTHER ITEMS OF INTEREST

4.1 Other Items of Interest

The following items of interest are available online.

- Nuclear Power Industry Safety Performance Reports and Report Cards (http://www.nuclearsafety.gc.ca/eng/readingroom/reports/powerindustry/index.cfm)
- Integrated Regulatory Review Service (IRRS) (http://www-ns.iaea.org/reviews/rs-reviews.asp)
- Details on Transfer Payment Program (TPP) (http://www.nuclearsafety.gc.ca/eng/readingroom/reports/tpp/index.cfm)
- The CNSC's Regulatory Plan (http://www.nuclearsafety.gc.ca/eng/readingroom/reports/rpp/index.cfm)
- Services Received Without Charge (http://www.nuclearsafety.gc.ca/eng/readingroom/reports/rpp/index.cfm)